

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF THE UNION LIGHT,)	CASE NO. 9029-V
HEAT AND POWER COMPANY)	

O R D E R

On October 24, 1984, the Commission issued its Order in Case No. 9029 approving certain rates and providing for adjustments of these rates on a quarterly basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On January 30, 1990, The Union Light, Heat and Power Company ("ULH&P") filed its quarterly gas cost adjustment which is to become effective March 1, 1990 to remain in effect until June 1, 1990. On February 26, 1990, ULH&P applied to modify its filing based on decreases in its cost of purchased gas which occurred subsequent to the January 30, 1990 filing.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

(1) ULH&P's notice of February 26, 1990 set out certain revisions in rates which ULH&P proposes to place into effect, said rates being designed to pass on to its customers the wholesale decrease in gas costs from its suppliers in the amount of 51.2 cents per Mcf including take-or-pay billings. ULH&P's expected gas cost is \$2.956 per Mcf, which includes a take-or-pay recovery component of 9.8 cents per Mcf.

(2) ULH&P's notice set out a total refund adjustment of 12.2 cents per Mcf. This adjustment returns to its customers remaining refunds from previous quarters plus refunds from its suppliers in the amount of \$1,148,678, including interest, received by ULH&P in October and December 1989. The change in the total refund adjustment from the previous to the current GCA filing results in a 10.8 cent per Mcf decrease in ULH&P's retail rates.

(3) ULH&P's notice set out a current quarter actual adjustment in the amount of 23.2 cents per Mcf to compensate ULH&P for under-recovery of gas cost through the operation of its gas cost recovery procedure during the months of September, October, and November 1989. The total actual adjustment of (7.5) cents per Mcf, which is designed to correct the current under-collection, as well as under- and over-collections from three previous quarters, results in a .8 cent per Mcf reduction in ULH&P's retail rates.

(4) ULH&P's notice set out a current quarter balance adjustment in the amount of (2.6) cents per Mcf to reconcile variances from previous actual, refund, and balance adjustments. The total balance adjustment of (2.4) cents per Mcf, which reflects the current as well as the three previous balance adjustments, results in a 1.7 cent per Mcf decrease in ULH&P's retail rates.

(5) The combined effect of the above adjustments is ULH&P's gas cost recovery rate for exempt customers in the amount of \$2.735 per Mcf, which is a decrease in retail rates of 64.5 cents per Mcf from the previously authorized rate.

(6) ULH&P's adjustment in rates contained in the Appendix to this Order is made pursuant to the GCA provisions approved by the Commission in its Order in Case No. 9029 dated October 24, 1984 and should be approved to be effective with bills rendered on and after March 1, 1990.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are hereby authorized effective with bills rendered on and after March 1, 1990.

(2) The gas cost recovery rate for exempt customers shall be \$2.735 per Mcf.

(3) Within 30 days of the date of this Order, ULH&P shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 12th day of March, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 9029-V DATED 3/12/90

The following rates and charges are prescribed for the customers served by The Union Light, Heat and Power Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATE GS GENERAL SERVICE

Customer Charge per month:

Residential Service	\$4.50
Non-Residential Service	\$6.00

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
All Gas Used	13.91¢	plus 27.35¢	equals	41.26¢ per 100 cu. ft.

Minimum Bill: The minimum monthly charge shall be the customer charge as stated above.

The "Gas Cost Adjustment" as shown above is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RATE F

Special Contract - Firm Use

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
All Gas Used	7.39¢	plus 27.35¢	equals	34.74¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RATE OF
OFF PEAK

NET MONTHLY BILL

Computed in accordance with the following charges:

(1) Firm Use shall be billed in accordance with Rate GS, General Service;

(2) Off Peak Gas (i.e., Gas in excess of Firm Use) shall be billed in accordance with the following:

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
All Gas Used	4.42¢	plus 27.35¢	equals	31.77¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RIDER T-O-P
TAKE-OR-PAY RECOVERY CHARGE

The T-O-P charge to be billed during the revenue months of March, April, and May 1990 is 9.8 cents per 1,000 cubic feet.